

## **Drycleaning Fund Eligibility Criteria**

### **The following criteria apply to all sites (former and operating):**

**Transfer of Ownership of the Facility:** Section 44-56-440(G) of the Act states that eligibility for the Fund will transfer with the facility. Section 33.21 of the Regulation requires that the Fund registrant provide a notarized notification of the transfer to the Department within fifteen (15) days of the property transfer. For this purpose, form DHEC2057 is available through our website, <http://www.scdhec.gov/lwm/html/dryclean.html>. Any new owner of the facility must also comply with the terms of the Regulation and Act. Failure of a new owner to comply could result in financial liability for all parties that have ever been associated with the site in a responsible capacity.

**Provide Access for Department Staff:** Section 44-56-440(H) of the Act removes eligibility for a facility if site access is denied to Department staff who are required to carry out the provisions of the Act. When the Fund is ready to proceed with further action on this site, the Fund Registrant will be required to provide full access to the property for environmental assessment and/or remedy implementation. These activities will be coordinated in advance with the Fund Registrant to minimize disruption of any businesses on the property. Any assessment and/or remedial activities will be designed around any buildings that may be in place on the property.

**Payment of Deductibles:** Deductibles must be paid before the Fund can start covering the costs of assessment and remediation. Costs of the environmental assessment incurred during application for Fund eligibility count toward the deductible. The balance of the deductible is payable when the site is determined to be a priority for further assessment action. No payment of the deductible balance can be made until the Department is ready to begin assessment activities on the site.

### **The following criteria apply only to sites with operating drycleaning machines:**

**Yearly Registration Fees:** For all drycleaning facilities under your control, you are required to pay yearly fees into the Fund. These fees are based on the number of employees that work at the facility:

<b>Number of employees</b>	<b>Annual fee</b>
1-4	\$750
5-10	\$1500
11 or more	\$2250

The South Carolina Department of Revenue (DOR) has responsibility for collecting the yearly fees. Questions about fee payment should be directed to David Demary, DOR, 803-896-1902.

**Payment of 1% Sales Tax on Drycleaning:** One percent of the gross proceeds of sales of a drycleaning facility must be levied as an environmental surcharge on every owner or operator of a drycleaning facility participating in the Fund. This 1% sales tax is collected regardless of whether the customer picks up the garment at the registered plant location or at remote locations (dry-drop stores, home delivery, etc.).

**Payment of Solvent Surcharges:** All drycleaning facilities registered with the Fund are required to pay surcharges on all drycleaning solvents purchased for use within the state. These surcharges are usually collected by the solvent supplier. However, the drycleaner has the ultimate responsibility to ensure that they are paid. The legislation now defines solvents as “Halogenated Drycleaning Fluid” or “Non-Halogenated Cleaners” based on the chemical makeup of the solvent:

- **Halogenated Drycleaning Fluids** are subject to a \$10.00 per gallon surcharge. Halogenated Fluids include all solvents that contain 10% or more of any of the compounds known as “Halogens,” which is a chemical name for substances containing chlorine, bromine, fluorine, or iodine. Perchloroethylene is a Halogenated Fluid.
- **Non-Halogenated Cleaners** are subject to a \$2.00 per gallon surcharge. Non-Halogenated Cleaners contain less than 10% halogen compounds. All current formulations of commercial petroleum-based solvents are considered as Non-Halogenated Cleaners, as are the newer synthetic silicone- or propylene-glycol-based cleaning agents (i.e., “GreenEarth” or “Impress”). Because of the possibility that Non-Halogenated Cleaners may eventually be procured in a non-liquid form (e.g., carbon dioxide), the legislation also includes a surcharge of \$0.20 per pound to cover that eventuality.

**Containment Structures:** A drycleaning facility operating after May 24, 2005 is required to have containment structures in place around all areas where solvents and wastes-containing-solvents are stored or used. The SCDHEC booklet [Drycleaning Containment Guidelines](#) details the measures that should be undertaken to prevent future releases from drycleaning machines, and DHEC3879, the Drycleaner Containment Structure Certification Form, should be completed and notarized by all participating drycleaners. The booklet and form are available on our website (<http://www.scdhec.gov/lwm/html/dryclean.html>) or by calling our toll-free telephone number.

**Spills:** Section 44-56-470(H) of the Act requires that a spill of solvent outside of a containment structure must be reported immediately upon its discovery to the Department if the quantity exceeds the Federal Reportable Quantity (RQ):

Solvent	Reportable Quantity (RQ)
Halogenated solvents (ex. Perchloroethylene)	100 pounds (approx. 7 gallons of pure solvent)
Petroleum-based solvents (ex. Stoddard)	Any amount that causes an oil sheen or deposit in “waters of the U.S.”

Spills may be reported to SCDHEC’s 24-hour toll free number (1-888-481-0125).

**Gross Negligence:** Section 44-56-440 (B)(5) of the Act requires that the contamination cannot be the result of Gross Negligence in operations after 1980. Gross negligence could include but is not limited to dumping, pouring, or otherwise intentionally releasing drycleaning solvent into the environment; failure to pay annual fees and surcharges; failure to have wastes or waste products handled properly; or not having required containment structures in place.